

How the Family First Act may affect child welfare financing

October 30, 2019



Agenda

- Introductions
- Background information
 - Family First Prevention Services Act
 - Child Welfare Financing Survey
- Findings potentially affected by the Family First Act
- How survey data are used
- Tour of additional products
- Discussion

Our presenters



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Background information

The Family First Prevention Services Act: FFPSA

- FFPSA was signed into law as part of the Bipartisan Budget Act of 2018 and the implementation period began in FY2020, with an optional 2-year delay until FY2022.
- Family First reforms the federal child welfare financing streams, Title IV-E and Title IV-B of the Social Security Act.
- New federal funds can be used for mental health services, substance use treatment, and in-home parenting skill training. The services may be provided for up to 12 months for children who are at imminent risk of entering foster care, their parents, kinship caregivers, and pregnant or parenting teens.
- Prevention programs must be evaluated and rated by the Prevention Services Clearinghouse (also established by Family First). Programs will be rated as promising, supported and well-supported.
- FFPSA also has implications for congregate care.

Survey background

- Supported by the Annie E. Casey Foundation and Casey Family Programs; conducted by Child Trends
- 10th iteration of the biannual survey since 1996
- Survey collects data on child welfare agency expenditures on child welfare services and activities
- 50 states (including D.C.) participated in the SFY 2016 survey
- SFY 2016 survey is similar to prior surveys, with the addition of some new questions

SFY 2016 survey collected data on child welfare agency expenditures on child welfare services and activities

Expenditures = All SFY expenditures for the programs, case management, administration, and operation of states' child welfare services system. (Not unspent allocated/appropriated funds)

Child welfare = All of the following services administered by the child welfare agency for children/young adults* and families:

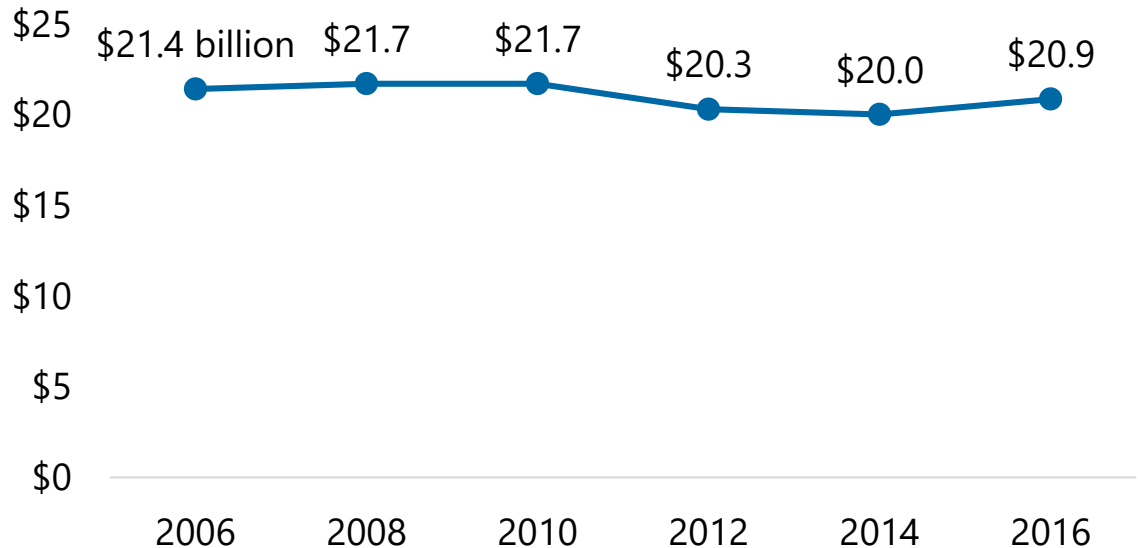
- Services for intact families to prevent child abuse or neglect, foster care placement, or re-entry
- Child protective services: intake, family assessment, investigation, and case management
- Out-of-home placements and associated services and supports
- Adoption and guardianship services and supports
- Services and assistance for older youth in, or previously in, foster care

Finding: Total child welfare agency expenditures increased 5% since SFY 2014, but decreased over the last decade.

\$29.9 billion
in SFY 2016

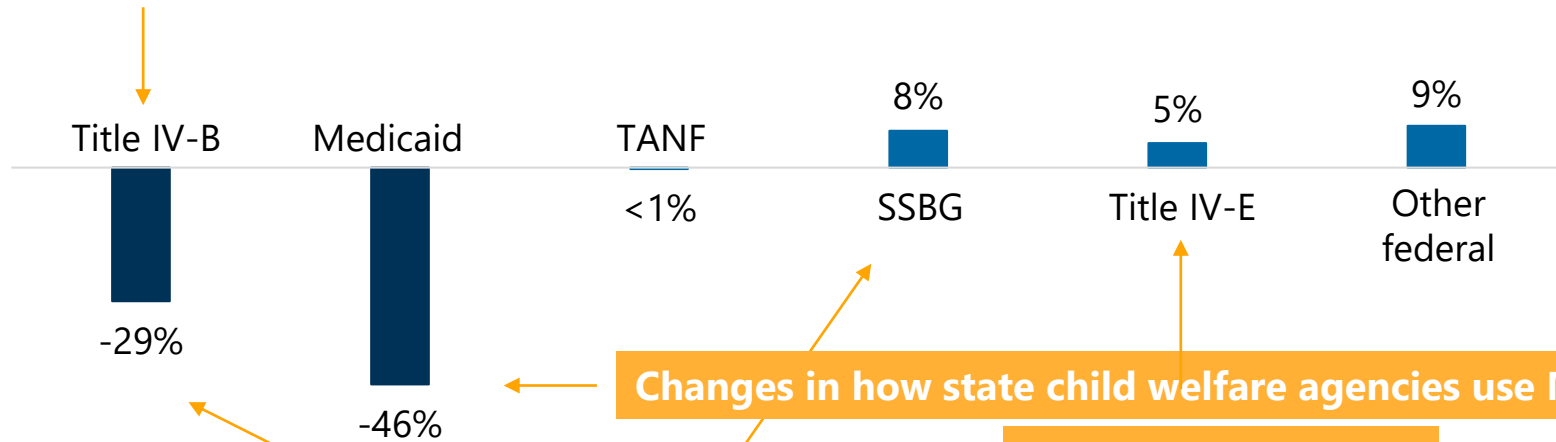
Between SFYs 2014 and 2016:
30 states reported an increase
13 states reported a decrease

Change in total child welfare agency expenditures, SFYs 2006–2016 (29 states)



Finding: Expenditures from some federal funding streams decreased substantially over the past decade.

Decreases in Title IV-B funding for programs that primarily fund child welfare agencies

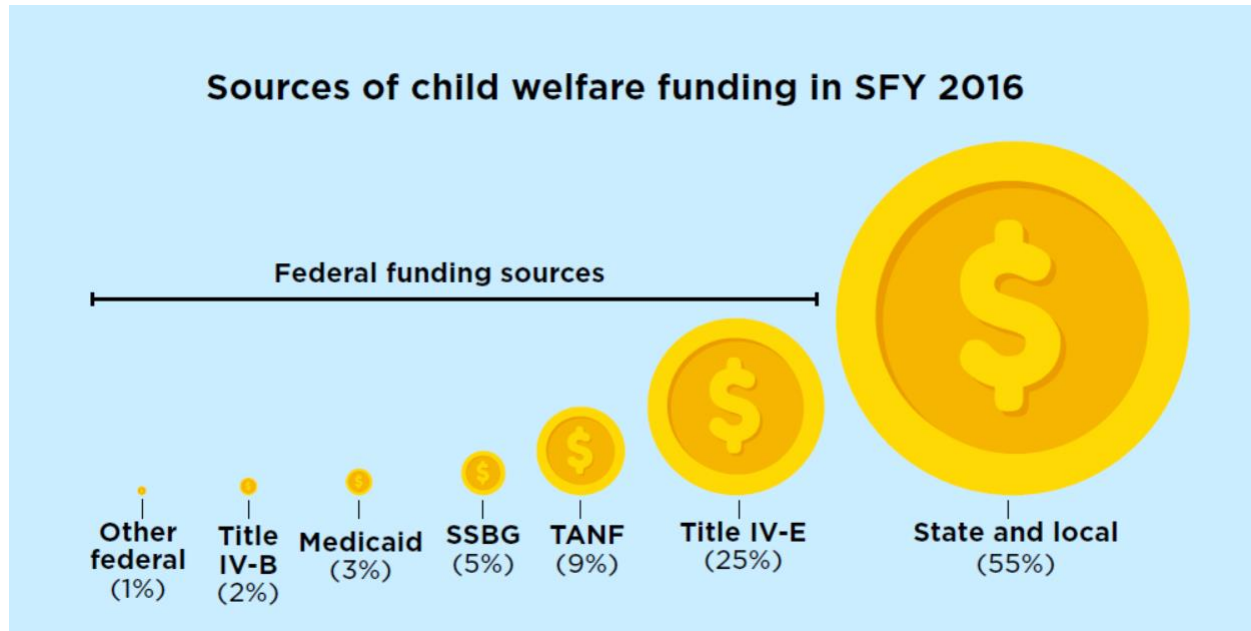


Changes in how state child welfare agencies use Medicaid

Recent changes to Title IV-E

Sequestration

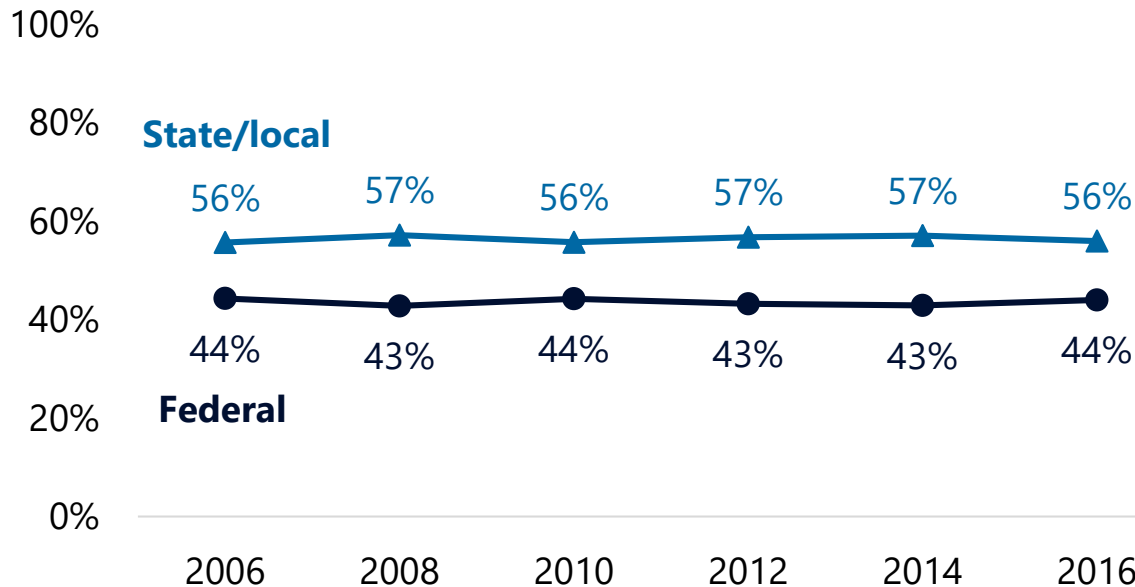
Finding: Child welfare agency spending continues to be predominantly financed by state and local sources.



Source: Child Trends (2019). *Child Welfare Financing 101*. <https://www.childtrends.org/wp-content/uploads/2019/08/Child-Welfare-Finance-101-Infographic-8.23.pdf>

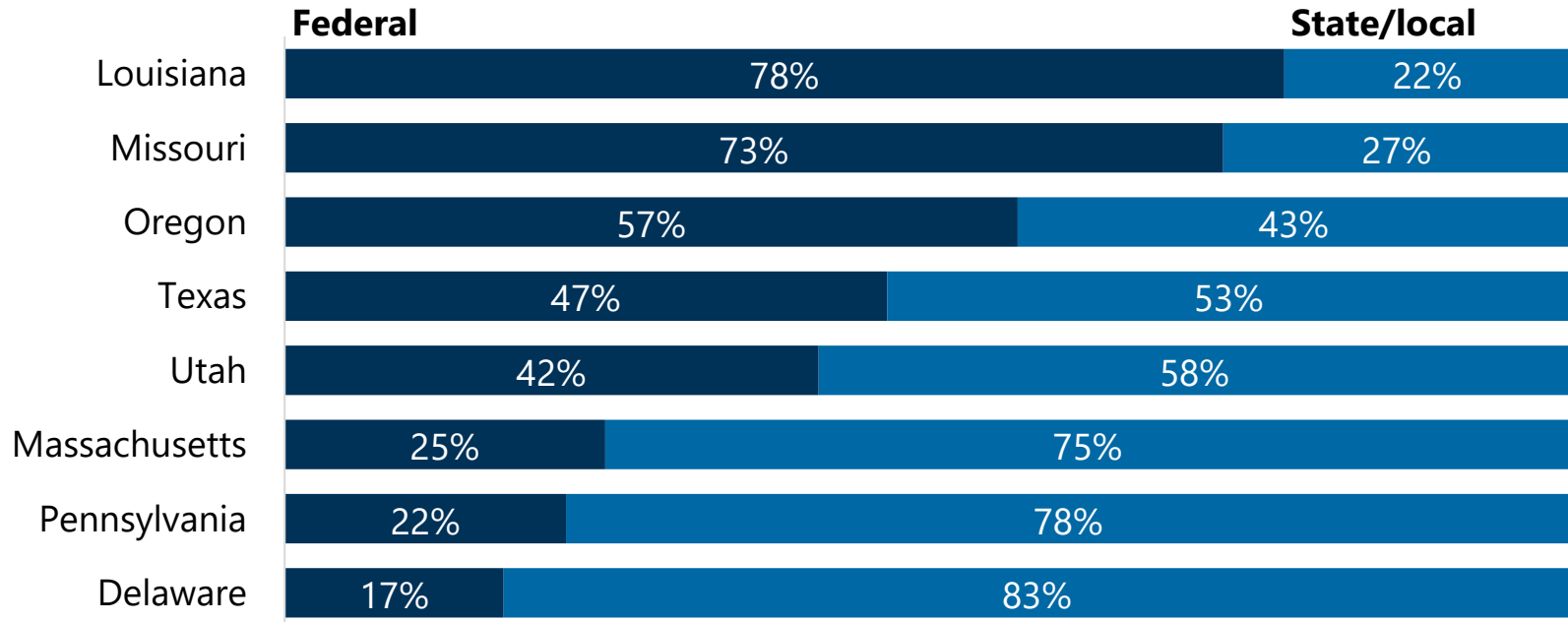
Finding: Child welfare agency spending continues to be predominantly financed by state and local sources.

Federal and state/local spending, SFYs 2006-2016 (29 states)

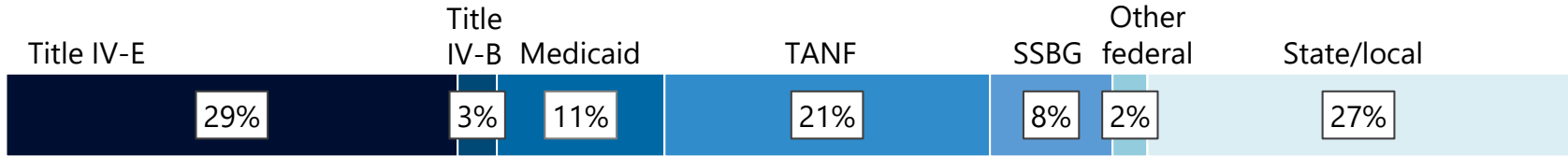


Held steady over decade

Finding: States vary greatly in the source of child welfare agency expenditures.



State variation in the proportion of expenditures from each major source, SFY 2016



Missouri

Balanced funding structure



New Mexico

Federal dedicated funding structure

Medicaid 1%; TANF 1%



Michigan

Federal nondedicated funding structure

Medicaid 1%

Other federal, <1%



Delaware

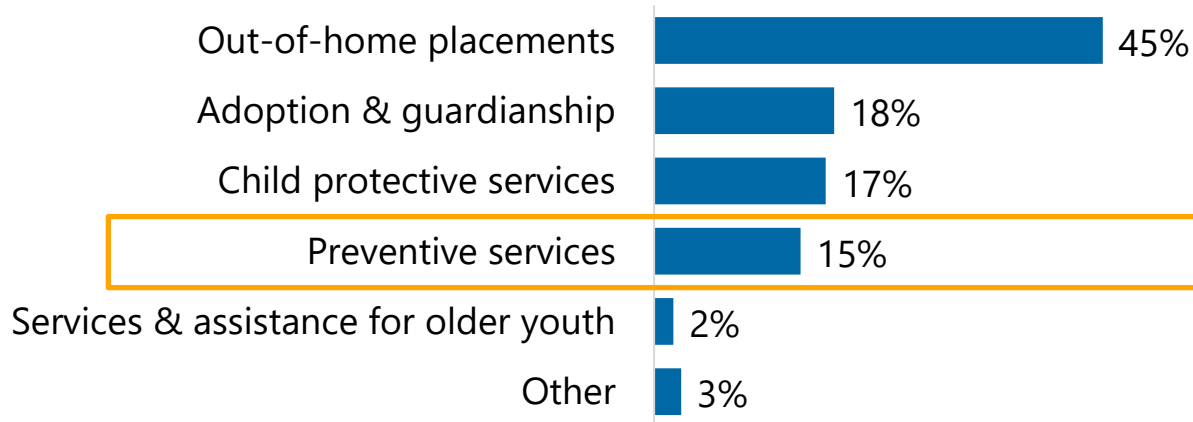
State/local funding structure

Medicaid 0%; TANF 1%; SSBG 2%; Other federal 1%

Findings potentially affected by the
Family First Act

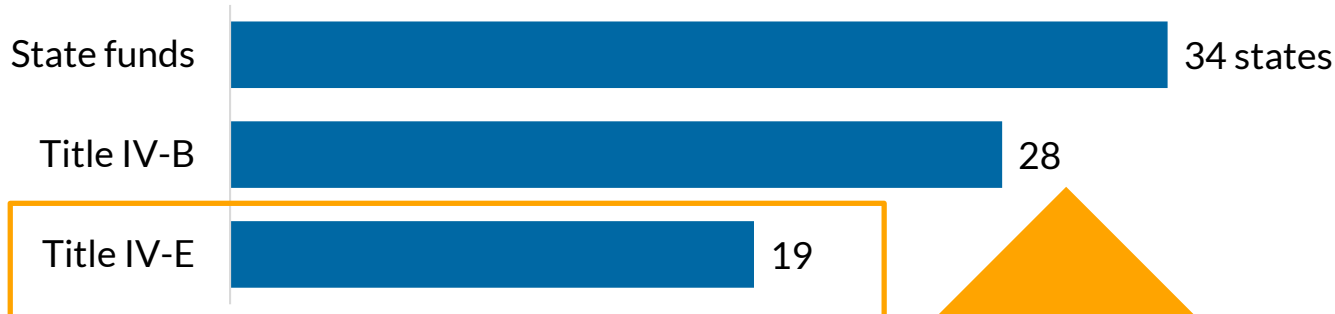
Finding: A relatively small proportion of child welfare agency expenditures are spent on preventive services.

Proportion of total expenditures on categories of services



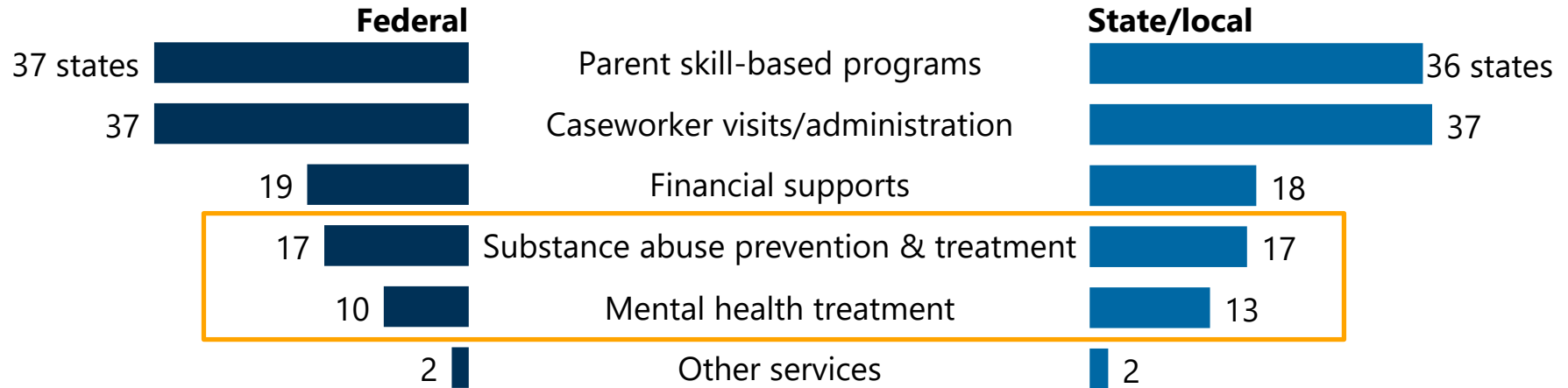
Finding: Top 3 funding sources used to finance prevention services were state funds, Title IV-B, and Title IV-E.

Top funding sources for prevention services, SFY 2016



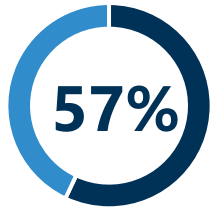
May allow Title IV-E to be a more significant source

Finding: Fewer child welfare agencies focus prevention spending on substance abuse and mental health services than on other preventive services.

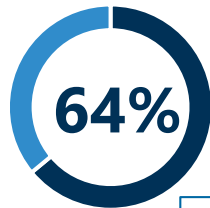


How prevention dollars are spent could change

Finding: State and local sources finance slightly more than half of spending on family foster care and congregate care.



of spending on **family foster care** came from state/local sources



of spending on **congregate care** came from state/local sources

Might contribute to congregate care being financed even more heavily by state/local sources

Finding: Few states were able to report information about spending on evidence-based practices (EBPs)

- Only 15 states responded
- State data systems are not set up to allow for the collection of these data in a straightforward manner
- Inability to produce spending data on EBPs will be of increasing importance with implementation of the Family First Act



We expect states will start tracking spending on EBPs more closely

New Questions for SFY 2018 Survey



Kinship navigator programs



**Residential family-based substance
abuse treatment facilities**

Other changes...



Broader implications on financing



**Looking forward to the 2020
Child Welfare Financing Survey**

How survey data are used

Requests for information

- Government offices and officials
 - Hill staffers (Senate Finance, House Ways and Means)
 - Congressional Research Service
 - Congressional Budget Office
- Advocacy groups
- Doctoral students
- Media requests

State-level or issue-specific financing projects

June 2019

Child **TRENDS**

Child Welfare Financing in Colorado: Current Landscape and Recommendations

Kristina Rosinsky, Megan Fischer, Dennis Blazey, and Victoria Efetevia

Introduction

Child welfare-related activities and services have complex sources of funding. Numerous funding streams and multiple agencies seek to support the children and families that are known to the child welfare system. At the state and local levels, this complexity sometimes means that policymakers, practitioners, advocates, and other stakeholders do not have a complete picture of child welfare financing, which is vital to their understanding of how to best provide needed services and supports to children and families. As a result, Colorado stakeholders decided to enhance understanding of the state's child welfare financing landscape by contracting with Child Trends. Funding for this study was provided by the Zoma Foundation, Casey Family Programs, and the Colorado Department of Human Services (DHS).

As a first step, Child Trends analyzed Colorado's data from the Child Welfare Financing Survey—a national survey conducted by Child Trends with support from Casey Family Programs and the Annie E. Casey Foundation—to identify state-specific funding sources and trends.¹ We also analyzed trends in the state's child welfare population (e.g., trends in the number of children in care, use of family-based settings) and completed a scan of relevant recent news stories to understand contextual factors that may affect child welfare funding. We also reviewed existing reports and materials related to the state's child welfare financing and conducted interviews and focus groups with stakeholders. These activities helped us examine the child welfare financing landscape in Colorado, identify challenges, and ultimately draw upon our knowledge of other states' financing to propose recommendations.

The work for this report started shortly after the passage of the Family First Prevention Services Act of 2018 (Family First Act). Although the Family First Act will affect child welfare financing and practice in many ways, the project sponsors intended for this report to analyze overall child welfare financing structures and systems, many aspects of which are either not affected or only minimally affected by the Family First Act. Therefore, this report provides an overview of Colorado's child welfare financing landscape and

Child Welfare Financing Survey

The Child Welfare Financing Survey is a national survey that collects information about child welfare agency expenditures for child welfare-related services and supports. The survey does not collect information on all spending on children and families that may be known to the child welfare agency since many other agencies (such as health and education departments) serve these families. The latest data from this survey covers state fiscal year 2016 (Rosinsky & Williams, 2018).

¹ Over the course of this project, Colorado updated the Child Welfare Financing Survey data it had previously provided. As a result, some data presented in this report do not align with data presented in prior Child Welfare Financing Survey products. See Appendix A for more information.

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Funding Supports and Services for Young People Transitioning from Foster Care

Lynn Tiede and Kristina Rosinsky

September 2019

Child **TRENDS**

Other financing questions

- Are there opportunities in my state to maximize existing funding streams?
- What financing strategies are other states using that my state could learn from?
- How much are we spending on [prevention, young children, older youth, etc.] and how has this changed over time?
- How much are we spending per case and how has this changed over time?
- Why does my state rely so heavily (or so little) on federal funds?

Child Welfare Financing Survey Products

<https://www.childtrends.org/research/research-by-topic/child-welfare-financing-survey-sfy-2016>

Report and data table

Child Welfare Financing SFY 2016:

A survey of federal, state, and local expenditures

Kristina Rosinsky and Sarah Catherine Williams



SFY2016DataTable_ChildTrends_December20

Child Welfare Financing SFY 2016: State-Level Data Table

STATE	Title IV-E	Title IV-B (p)	Medicaid (q)	SSBG
Alabama (a)	\$23,224,063	\$10,648,372	\$0	\$22,960
Alaska	\$37,075,464	\$410,621	\$598,121	\$2,800
Arizona	\$271,778,232	\$13,847,689	\$0	\$21,040
Arkansas (b)	\$62,862,921	\$6,761,984	\$886,472	\$10,630
California	\$1,770,763,585	\$62,385,879	\$141,564,502	\$278,610
Colorado (c)	\$90,633,811	\$6,854,182	\$4,240,076	\$23,900
Connecticut	\$107,449,745	\$4,105,653	\$23,662,601	\$3,200
Delaware	\$6,970,605	\$1,808,985	\$0	\$1,260
District of Columbia	\$80,675,330	\$978,267	\$504,819	
Florida	\$326,279,282	\$36,537,775	\$1,772,531	\$162,640
Georgia	\$125,805,742	\$12,253,646	\$205,061	\$8,870
Hawai'i	\$13,104,696	\$933,390	\$0	\$6,090
Idaho	\$17,372,255	\$3,137,604	\$282,816	\$5,880
Illinois	\$291,168,194	\$22,998,964	\$13,214,673	\$11,130
Indiana	\$250,366,829	\$20,569,248	\$4,467,262	\$28,180
Iowa	\$57,587,557	\$4,335,139	\$0	\$21,440
Kansas (d)	\$41,180,847	\$4,296,056	\$256,470	\$19,170
Kentucky	\$92,019,063	\$10,992,579	\$0	\$24,950
Louisiana	\$53,635,258	\$11,739,469	\$3,312,713	\$41,110
Maine	\$30,753,047	\$1,971,240	\$0	\$6,010

Major Funding Sources Title IV-E Breakdown

Funding source resources:

- Medicaid
- SSBG
- TANF
- Title IV-B
- Title IV-E
- Other federal funds
- State and local funds

Child TRENDS Title IV-E Spending by Child Welfare Agencies

Child welfare agencies across the United States protect and promote the well-being of children and youth who are at risk of, or have been victims of, maltreatment. In state fiscal year (SFY) 2016, the collective public investment in child welfare services totaled \$29.9 billion in federal, state, and local funds. State and local child welfare agencies rely on several major funding sources to administer programs and services, each with its own unique purposes, eligibility requirements, and usage limitations. The unique mix of sources in each state determines what services are available and the way in which child welfare agencies operate.

This document presents information about Title IV-E spending collected through Child Trends' national survey of child welfare financing resources, available on the [Child Welfare Financing SFY 2016](#) website. For more national findings, detailed information on other major funding sources, and information on other major funding sources, see each state's expenditures.

Background

In SFY 2016, child welfare agencies reported spending \$13.5 billion as Title IV-E of the Social Security Act, which is composed of:

- **Foster Care Program:** Covers costs related to provide administrative and training costs;
- **Adoption Assistance Program:** Covers costs related to children, including administrative and training costs;
- **Guardianship Assistance Program:** Covers costs related to assistance for eligible children, including administrative and training costs;
- **Chafee Foster Care Program for Successful Transitions Vouchers:** Provides assistance for youth transitioning out of foster care;
- **Waiver demonstration projects:** Allows states to waive certain requirements in the design and delivery of child welfare services.

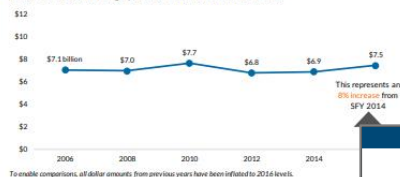
Each of these programs is described in further detail in this document.

Overall Title IV-E Spending

\$7.5 billion In SFY 2016, child welfare agencies reported spending \$7.5 billion on Title IV-E funds for child welfare services.¹



Title IV-E expenditures have increased by 5% over the decade (among states with comparable data in SFYs 2006 and 2016). This graph shows the trend line over the decade.²



To enable comparisons, all dollar amounts from previous years have been inflated to 2016 levels.

Between SFYs 2014 and 2016, most states reported an increase in the use of Title IV-E funds. Changes in Title IV-E expenditures ranged from -55% to 90%, depending on the state. In some instances, states provided explanations for large changes in expenditures. For example, a large increase in IV-E expenditures due to more children in foster care and more child welfare agencies for adoption assistance between SFYs 2014 and 2016.

States experiencing changes in the use of Title IV-E funds:

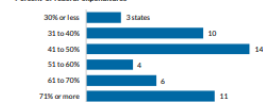


Title IV-E funds comprised a little more than half of federal funds spent by child welfare agencies in SFY 2016.³ This proportion increased slightly since SFY 2006.⁴

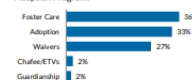
Child Welfare Financing SFY 2016: Title IV-E

Use of Title IV-E funds varied across states. Title IV-E funds accounted for 19% to 96% of federal dollars spent by child welfare agencies in SFY 2016, depending on the state.

Percent of federal expenditures



Almost three-quarters of Title IV-E expenditures in SFY 2016 were for the Foster Care Program and Adoption Program.⁵



Title IV-E Foster Care Program

The Title IV-E Foster Care Program is an entitlement program⁶ that reimburses states for a portion of costs associated with the following services for eligible children:

- maintenance payments that cover the costs of shelter, food, and clothing for eligible children;⁷
- child placement services and administrative costs (including costs associated with candidates for foster care and information technology costs) related to foster care for eligible children;⁸ and
- expenses related to the training of staff and foster parents for eligible children.⁹

Children who are eligible for the Title IV-E Foster Care Program include those in out-of-home placements who would have been considered financially "needy" in the homes from which they were removed, based on measures in place in 1996 under the Aid to Families with Dependent Children (AFDC) program; have entered care through a judicial determination or voluntary placement; and are in a licensed or approved foster care placement.

Total in SFY 2016:
\$2,666,814,920

Change from SFY 2014:
-16%

Child Welfare Financing SFY 2016: Title IV-E

3

State-level resources



Child Welfare Agency Spending in Georgia

Child welfare agencies across the United States protect and promote the well-being of children and youth who are at risk of, or have been victims of, maltreatment. In state fiscal year (SFY) 2016, the collective public investment in child welfare services totaled \$29.9 billion in federal, state, and local funds. State and local child welfare agencies rely on several major funding sources to administer programs and services, each with its own unique purposes, eligibility requirements, and usage limitations. The unique mix of sources in each state determines what services are available to children and families, which approaches are used, and the way in which child welfare agencies operate.

This document presents information on child welfare agency expenditures collected through Child Trends' national survey of child welfare of child welfare financing resources, available on the [Child Trends](#) national findings and detailed information on each funding source.

Overall Expenditures

Overall child welfare agency spending in Georgia increased since 2014.²

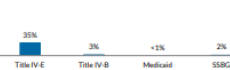
Amount in SFY 2016	
Overall	\$712,243,067
Federal	\$259,861,953
State	\$344,606,132
Local	\$7,774,982

The proportion of spending from federal, state, and local sources now, a greater proportion of total expenditures is financed by state.



Federal Expenditures

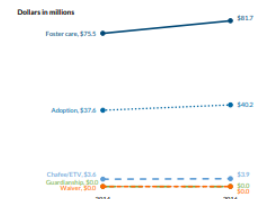
TANF is the largest federal funding source for Georgia.



Title IV-E

Title IV-E of the Social Security Act can be used for foster care, adoption, guardianship, and supports for transition-age youth (Chafee and Education and Training Vouchers).¹ Some states, but not Georgia, also reported Title IV-E waiver expenditures in SFY 2016.⁴

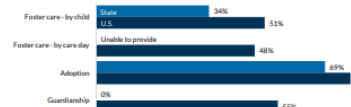
SFY 2016 saw an increase in foster care, adoption, and Chafee/ETV expenditures compared to SFY 2014.⁵



Total in SFY 2016:
\$125,805,742
Change from SFY 2014:
8%

Title IV-E coverage rates

States can claim Title IV-E funds as reimbursement for foster care maintenance, adoption or guardianship assistance payments. The chart below shows the percent of such payments re Title IV-E. The foster care coverage rate is calculated as a proportion of children and as a per the number of days children spent in foster care (i.e., "care-days").⁶



Child Welfare Agency Spending SFY 2016: Georgia

Title IV-B

Title IV-B⁷ of the Social Security Act can be used for a variety of child welfare services, including the prevention of maltreatment, family preservation, family reunification, services for foster and adopted children, and training for child welfare professionals.

Total in SFY 2016:
\$12,253,646
Change from SFY 2014:
-43%

Medicaid

Medicaid⁸ covers health-related services for millions of low-income individuals. Children who are eligible for Title IV-E Foster Care, Adoption, or Guardianship Programs are automatically eligible for Medicaid. States have the option to extend Medicaid coverage to all children in foster care, and more than half of states do.

Total in SFY 2016:
\$205,061
Change from SFY 2014:
-97%

Agency uses of Medicaid dollars:	Medicaid provided to all children in foster care?
✓ Other—Medicaid administration	Yes, through:
	✓ State Children's Health Insurance Program

TANF

In addition to providing cash assistance to low-income families, Temporary Assistance for Needy Families (TANF)⁹ can also be used to support a variety of child welfare activities. TANF offers states very flexible funding for supporting children involved in the child welfare system.

Total in SFY 2016:
\$201,862,696
Change from SFY 2014:
1%

Top categories of TANF spending in Georgia:

- 1) Other child welfare services
- 2) Family preservation services
- 3) Child welfare services

SSBG

The Social Services Block Grant (SSBG)¹⁰ is a flexible source of federal funds that child welfare agencies can use to promote self-sufficiency, prevent or remedy child maltreatment, reduce inappropriate use of institutional care, and more.

Total in SFY 2016:
\$8,875,596
Change from SFY 2014:
14%

Top categories of SSBG spending in Georgia:

- Child protective services

Discussion

Please type any questions or comments in the questions box.

Thank you!

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